

STATEMENT OF WORK (SOW) TEMPLATE FOR ICR SUPPORT CONTRACTOR

The template presented below is a Statement of Work (SOW) for services of an OECM ICR Support Contractor for assisting OCEM in performing an ICR. Project and review specific information should be incorporated. Explanatory text appears in italics, while information that should be selected appears in <<brackets>>. The format and contents of this SOW is not compulsory, and the use is at the discretion of the OECM Analysts, tailored as needed for the support required. If no contractor support is required, this appendix is not used.

Statement of Work for Independent Cost Review (ICR)

<<Project Name>>

<<Purpose of ICR (i.e., Mission Need Review (CD-0), Alternative Selection and Cost Range (CD-1), other as specified>>

<<Site>>

<<Date>>

Project Background

Project Name:

Project ID:

Project Site:

Lead Office:

FPD:

Project Type:

Total Project Cost:

Prime Contractor:

Add project background description and related information to allow the ICR contractor to plan the work activities and staffing and to estimate task cost and schedule.

Points of Contact

Name	Organization/Position	Phone/Email
	OECM EIR Lead	
	FPD	
	PMSO Point-of-Contact	

Purpose

Example Text

The DOE Office of Engineering and Construction Management (OECM) requires the services of a Contractor to support an Independent Cost Review (ICR) to confirm the reasonableness of the project cost and schedule estimates for the << applicable review type>> milestone. The purpose of an independent, non-proponent entity conducting an ICR is intended to provide confidence to the Acquisition Executive and senior leadership within the Department of Energy, with minimal bias, that the project has reasonably estimated the schedule and cost. The work will be performed pursuant to reference (b), which requires that an ICR be performed for projects with a Total Project Cost (TPC) greater than or equal to <<\$750M (for CD-0), \$100M (for CD-1), or as designated by the SAE>>, and which further specifies that the Office of Engineering and Construction Management (OECM) be responsible for performing the ICR.

Requirements\Deliverables and Scope

The ICR shall be performed in general accordance with references (a), (b) and (c). These documents are general in nature, and OECM expects the ICR contractors to exercise their professional judgment in appropriately tailoring their numerous detailed requirements to the specific requirements of the Project. Below is a notional schedule of deliverables.

Notional Schedule:

Review of Cost Review SOP, ICR Sections	1 week
Receipt of Project Materials for Sufficiency Review	Time 0
Onsite Readiness Assessment (if warranted)	1 week
Sufficiency Review & Notification to Proceed	1 week
Draft Review Plan	1 week
Final Review Plan	1 week after receiving OECM and Project comments
On-Site Review	2-3 weeks after review plan approved
Initial List of Concerns with Recommendations	At ICR Onsite Closeout
Final List of Concerns with Recommendations	1 week after Closeout
Draft ICR Report	1 Week after Closeout
Final ICR Report including CAP Review	3 Weeks after Closeout
MS Excel spreadsheet with Final ICR recommendations	3 Weeks after Closeout
Begin Receiving and Reviewing Project Team	
CAP with Supporting Evidence Files	depends on Project response
Consolidated project document submittal	3 Weeks after Closeout
Contractor Submits Addendum to Final Report	At Project Closeout of CAP

Note: OECM Lead should adjust notional schedule to reflect the project stage and available time for review. The ICR contractor should comment on the schedule in the proposal submittal.

Requirements\Deliverables

- Review of the OECM Cost Review and Estimate SOP, ICR Sections

The ICR contractor will review and understand the applicable ICR parts of the OECM Reviews SOP (reference a).

- Receipt of Project Materials for Sufficiency Review and Onsite Readiness Assessment

In advance of the on-site review, the ICR contractor will determine if the project documentation is adequate to conduct a meaningful ICR. The receipt of project materials for sufficiency review should be submitted to the ICR team members far enough in advance to allow review prior to an on-site readiness assessment (if scheduled). The ICR contractor will notify in writing the Contracting Officer's Representative (COR) and OECM that the documentation provided is satisfactory to proceed with the ICR. If the supporting documentation is not satisfactory to proceed with the review, then the ICR team will notify the COR and OECM for decision to either suspend or proceed with a partial review.

- ICR Review Plan

If the documentation is satisfactory, the ICR team will develop a review plan for OECM review (including assignments for the IPR Team members). The ICR contractor will develop a review plan in accordance with the OECM Reviews SOP. OECM will approve the review plan prior to conducting the ICR. The review plan should include the developed Lines of Inquiry (LOIs). The ICR Review Plan shall clearly indicate which lines of inquiry will receive the highest levels of scrutiny and which are considered of less significance.

ICR Review Plan Scope: The core competencies that should be addressed for the ICR are identified below. The review plan developed by the ICR Team, coordinated with the Program and project team, and approved by the OECM Lead, will identify any additional core competencies as well as LOIs supporting those core competencies. LOIs should be developed using subject matter expertise on the team. The ICR team should request any additional documentation required to support the LOI and to ensure a complete and accurate review is performed. Additional resources for LOIs, including typical required documentation and example LOI, are listed in the OECM Reviews SOP (reference a), and can be consulted in the construction of the LOIs. Also, it should be emphasized that DOE Guides are a resource for best practices, but are not requirements. Alternative methods may be employed, but the approach, methods, and assumptions should be explained and have a supporting basis.

LOIs (ICR in support of <<Mission Need Approval, CD-0, Alternative Selection and Cost Range, CD-1, or other purpose>> and other Core Competency questions available in the IPR SOP): Refer to OECM Reviews SOP, reference (a), Appendix M for sample LOIs.

- *ICR Reports (Draft, Final and Corrective Action Plan Review)*

<<(if applicable, please customize per ICR needs)>>

Contractor shall prepare and submit the following reports to OEMC:

- Draft ICR Report
- Final ICR Report
- Corrective Action Plan (CAP) Review Report and Addendum to Final ICR Report, if necessary

The ICR Report shall be organized into the following sections, as necessary and appropriate. OEMC and the ICR Contractor may mutually agree to add or delete particular sections, based upon the scope of the final ICR Review Plan. The ICR Report shall indicate that all lines of inquiry suggested in the references herein have been considered; however, not all such lines of inquiry warrant the same level of incorporation and investigation.

Acronyms

Key Definitions

Executive Summary

1.0 Cost

2.0 Schedule

3.0 Scope

4.0 Risk

5.0 Management

Report Appendices:

- A. ICR Team Members, Assignments, and Biographical Sketches of SMEs
- B. Detailed Comments on Cost Estimate (if applicable)
- C. Detailed Comments on Other Documents (if applicable)
- D. Corrective Action Plan (CAP) Recommendations

The Executive Summary of the ICR Report shall include the ICR Team's overall assessment and shall convey a clear recommendation using the "i", "ii" or "iii" options and associated wording described below:

- i. The overall assessment of the ICR Team is that the <<Rough Order of Magnitude Cost Range, Cost Range, or other, as applicable, and project schedule range>> are reasonable. Accordingly, the ICR Team recommends that OEMC concur with the approval of the <<Mission Need Rough Order of Magnitude Cost and Schedule, Alternative Selection Cost and Schedule Range>>. The cost range is \$ _____ to \$ _____, at a _____ confidence level. The Project completion date range is _____ to _____ for the project as defined and listed below: *list key mission need requirements (brief statement) or key performance parameters (preliminary list)*.
- ii. The overall assessment of the ICR team is that there are deficiencies in the cost and schedule estimate ranges. Accordingly, the ICR Team recommends

that the <<mission need range or conceptual cost and schedule range>> not be approved until these deficiencies are corrected.

- iii. The overall assessment is that there is insufficient information to assess the <<mission need range or conceptual cost and schedule range>>. The ICR Team recommends that the <<mission need range or conceptual cost and schedule range>> not be approved. The following information needs to be provided ... (information should reference the key specific issues).

The report should list **concerns** and **observations** along with the ICR team's recommendations to resolve. Significant **concerns** should be listed in the Executive Summary. For the purposes of the ICR, the following definitions should be used:

A **Concern** is a deficiency, condition, shortcoming, omission or error that materially affects the cost and schedule estimates or project risk such that the estimate, including management reserve or contingency, may not be adequately represented and should be corrected to result in a reasonable estimate. All concerns should be accompanied by a recommendation with an acceptable (to the ICR team) to correct the **Concern**.

An **Observation** is a comment on a project aspect that was evaluated by the ICR team. Observations may be positive, neutral, or negative. Negative Observations typically identify actual or potential issues (not considered **Concerns**). The ICR team will provide a recommendation for negative Observations that the project team should consider for improving cost and schedule estimating and risk analysis. Positive Observations give credit for project measures taken by the project team that merit recognition and may serve as a "lessons learned" for other project teams. Neutral Observations, while neither negative nor positive, are included in the ICR report to show that an area was, in fact, reviewed by the ICR team. Negative Observations of a prevalent or systemic nature will result in a **Concern** with an associated recommendation.

The ICR Team will review the Corrective Action Plan and updated documentation after it is submitted by the Project Team to ensure **Concerns** are properly closed or have an approved/acceptable path to resolution. A CAP Review Report shall be submitted to OECM following this effort documenting the ICR Team's updated assessment and recommendation. As part of the CAP process, the project team should identify changes (updates) to the cost and schedule resolving the **Concerns** identified.

The ICR report will include a summary tabulation of the costs and schedules for the ranges, and identify any **Concerns, and Observations** as defined in the OECM Reviews SOP. The ICR report narrative should discuss the relative value and percent Management Reserve (MR) expected to be held by the Contractor for the project and relate these values to what would be expected for a similar project. Refer to EIR SOP, Appendix M for sample summary tables.

- Project Documentation CDs or DVDs

The ICR final report should be available to the OECM ICR Team Lead, in a format that enables the report to be uploaded into PARS II (Adobe—pdf—or as otherwise specified). In addition, all project documentation gathered during the review should be indexed and provided to OECM in a consolidated set of CDs or DVDs. All findings should be input into an MS Excel spreadsheet and also provided to OECM at the submittal of the ICR final report.

References

- (a) Department of Energy (DOE) Office of Engineering and Construction Management, *Cost Review and Estimate (ICR, ICE) Standard Operating Procedure* (Draft), August 2011
- (b) DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*
- (c) DOE Guide 413.3-9A, *Project Review Guide for Capital Asset Projects*,
- (d) U.S. General Accountability Office, *GAO Cost Estimating and Assessment Guide*, GAO-09-3SP, March 2009.
- (e) DOE Guide 413.3-21, *Cost Estimating Guide*, 5/9/11

(Additional documentation that may be applicable)

**<<DRAFT OR FINAL>>
<<REPORT OR REVIEW PLAN>>**

INDEPENDENT COST REVIEW

OF

**<<NAME >> PROJECT
<<PROJECT NUMBER>>
<<SITE>>
<<CITY, ST>>**

**<<DATE OF REPORT
OR DATE OF ON-SITE VISIT IF REVIEW PLAN>>**



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